Finance Council Minutes

August 25, 1999

Travel Items - Lois Coleman

Pat Oliver and Rachael Wivell summarized the effects on NOAA employees of General Services Administration (GSA) proposed Interim Rule 8 to the Federal Travel Regulations:

- Requires mandatory use of the Citibank travel charge card by all NOAA employees who travel. The card must be used to pay for all official travel expenses.

- Allows the Administrators of GSA and heads of agencies to grant exemptions to the mandatory use of the card if it is determined to be in the best interest of the agency. GSA must be notified of any exemption and the reason for the exemption.

- Requires finance/payment offices to reimburse employees within 30 calendar days after a proper voucher is submitted to the approving official.

- Requires employees to be notified by the finance/payment offices within seven calendar days after receipt of the voucher if there are errors on the voucher that would prevent payment within 30 days. Reasons why the voucher is not proper must be provided to the employee.

- Requires the finance/payment offices to pay a late fee to the employee if they fail to reimburse the employee within 30 calendar days after receipt of a proper voucher.

- Allows bureaus to collect undisputed delinquent travel charge card payments from an employee's salary if the employee has been paid by the finance/payment office, and upon written request from Citibank. The standard garnishment of wages rules must be followed.

The provisions of Interim Rule 8 apply to the payment of expenses in connection with official Government travel performed after December 31, 1999. The text of interim Rule 8 can be accessed on the GSA home page under "Federal Travel Regulations Amendments," http://www.policyworks.gov/org/main/mt/homepage/mtt/mtthp.htm.

Comments on Interim Rule 8 should be sent to Lois Coleman by August 27, 1999. Comments will be consolidated and forwarded to DOC for submission to GSA.

Travel Advances - Keith Schellhase

The line offices were provided a list of travelers with outstanding travel advances. The line offices were instructed to submit a travel voucher, provide an address to send an administrative bill of collection, or provide accounting classification to write of the advance by **September 15**, or the Finance Office would write off the advance using the accounting classification of the travel advance obligation.

Invitational Travel Advances - R. J. Dominic

RJ discussed the proposal to treat invitational travel advances as expenses rather than as travel advances in the accounting system. He explained that the travelers would still be entitled to receiving an advance under the proposal. However, the finance offices would neither follow up on outstanding advances nor would the Line Office (LO) be required to submit a final voucher under the proposal. The LOs were asked to provide RJ their comments by **September 15**.

Reimbursable Clean-Up Project - Lynne Baronoff

The Receivable Team has been working diligently on the clean up of prior years reimbursable tasks. We appreciate your efforts in this project. The August Reimbursable Task Status Billing Report should reflect a lot of the adjustments, refunds, and billings.

This process is not yet completed. We ask that you continue to monitor your task numbers to ensure that undelivered orders are valid, that over-collections are refunded, and that cost overruns are adjusted. Please review the August billing report and advise us of any adjustments that need to be made **before year-end.**

New Write-Off Policy - Lynne Baronoff

The Department of the Treasury (Treasury) has determined that over 70 percent of Federal non-tax delinquent debt is over two years old. As delinquent debt ages, the likelihood of collection lessens. Treasury is recommending that Federal agencies establish a standard to write off delinquent debt older than two years.

By implementing the new write-off policy, the active receivables portfolio for the government will decrease by at least 50 percent. It will provide a more realistic assessment of whether the government will be able to collect its delinquent debt.

We will be working with the program offices to write-off all delinquent debt greater than two years old.

Copies of the new write-off policy were provided. The following web site is where the Treasury write-off policy can be found, if needed: http://www.fms.treas.gov/debt/writeoff.PDF.

Depositing Checks - Lynne Baronoff

It was recently brought to our attention that checks received in the Line Offices are not being forwarded to the Finance

Office in a timely manner. For example, on August 10, 1999, we received six checks totaling $151,758.02. The dates on those checks ranged from December 1, 1998, to June 15, 1999.

According to the DOC Cash Management Handbook, Section 5.0, Processing Deposits:

"When funds are received by the organizational unit in offices other than the finance or accounting office, such funds will be sent to the finance or accounting for deposit promptly, but no later than one (1) working day after receipt. A program official with a question about a collection will not delay transmission pending resolution."

The DOC Cash Management Handbook can be viewed on the Internet at the following web site: http://www.osec.doc.gov/ofm/cash/ch3.htm.

Please remind your offices that all checks received must be transmitted to their servicing finance office promptly. We do not want the auditors to question why the checks are not being deposited in accordance with DOC regulations.

Accounts Payable Aging Report - Mark St. Clair

Mark distributed a copy of the Accounts Payable Aging Report as of July 31, 1999, to the LOs. **A lot of these transactions will be eliminated when the autodeob is run during the week of September 7.** He mentioned that KPMG does not approve of Accounts Payable on the books for more than 30 to 60 days UNLESS goods or services had been received.

Background:

The Finance Office (FO) noticed a number of aging accounts payable balances in FIMA and saw a need for a report that would list these payables in a way that would be useful to the Line Offices (LO) to determine the validity of these balances. This effort stems from a KPMG Peat Marwick finding that NOAA has in the past had accounts payable balances in FIMA that are quite old and unsubstantiated. By definition, an accounts payable should be established from either undelivered orders or directly when goods or services have been received by NOAA. To avoid an audit finding, all accounts payable balances must be reviewed for validity. To assist in the use of this report, we have developed this list of procedures for your convenience.

Procedures:

- Establish a reasonable distribution level within each LO for this report.

- Establish a procedure at the determined distribution levels within each LO to properly review the payables on this report.

- Have the distribution levels report back to the Management & Budget Offices on deobligations to avoid possible duplication of these requests to deobligate.

- Prepare deobligation adjustment forms, or mark the report, and send the information to the servicing Administrative Support Center or FO for entry in FIMA. For FIMA document type 03 (contracts), obligation adjustment documents must be routed through Procurement so the Contracting Officers are also aware. This issue has posed a major problem in the past for the FO.

- The ASCs and FO will enter these deobligations in FIMA as quickly as possible to preclude possible audit findings.

Document Type 03/04 Adjustments - Mark St. Clair

When the LOs want to deobligate or make adjustments to Contracts (Document Type 03) and Grants (Document Type 04), they should send these changes through their Contracting Officer or Grants Management Specialist.

OPAC Documentation - Sandi Walters

The Accounting Operations Division (AOD) needs the LOs help in recording On Line Payment and Collection (OPAC) charges received from other government agencies. During the last week of September 1998, AOD received over $60 million in charges from other agencies. We expect these agencies will probably wait until the last minute to bill us again this year. We need to have all of these charges recorded by October 5, which is 3 days less than last year. Sandi requested the LOs help us by getting us documentation to support these charges ASAP. She will call M&Bs when AOD needs their assistance to get the documentation.

Sandi notified the LOs that we have not recorded any payments for BAC charges since February 1999. These monthly bills are around $300K each and are distributed to the LOs. Their budgets only have 5 months of services charged to them. At this point in time, they should have 10 months of services charged to their budgets as either an accrual or a disbursement. In less than 2 weeks, they should have another month accrued.

The NWS is charged approximately 70% of this bill. At this point in time, they do not have approximately $1,050,000 ($300K x 5 x .7) of obligations recorded in FIMA. Adding in accruals for August and September will affect their budget by another $420K ($300K x 2 x .7).

The total FY 1999 amount not recorded as an obligation for the NWS is approx. $1.5M.

We will process the payment files as soon as we receive them, but they probably won't get into FIMA in August.

Purchase Card - Sandi Walters

From September 1 - October 5, AOD will need to record approximately 4,000 purchase card transactions. The LOs can help by:

1. Making sure the default accounting printed on the statements is correct.

2. Buying early. The statement cut off date is September 21. Any purchases made as of September 30 that are not on the September statement will have to be accrued manually.

3. Send in their August and September statements ASAP.

Purchase Card is the preferred method for making payments because we receive the file electronically and we only need to enter the Object Classification Code or change the Accounting Classification, if necessary. Sandi reminded the LOs that they should use the Purchase Card to make payments for training. She will check on the Commerce Acquisitions Manual being revised to include payments for utilities.

"PAID" - Sandi Walters

The United States Department of the Treasury has introduced a new program called Payment Advice Internet Deliver (PAID). It is a FREE Internet-based delivery system which allows vendors to view their ACH payment information. Please direct vendors to this web site:
http://arfc.fms.treas.gov/

Interim Audit Report - R. J. Dominic

RJ covered the results from the FY 1999 interim audit. NOAA received only 6 findings compared to 10 the previous year. None appeared to be significant. The biggest problem was related to reimbursables and not following procedures for assigning task numbers and agreements. The Finance Office will be looking into producing a report with incorrect task numbers to be given to the BO/LO to have them changed in FY 2000.

Balanced Scorecard - R. J. Dominic

RJ informed the LOs that he would be setting up meetings to discuss the Finance Balanced Scorecard in the middle of September.

FY 1999 Closing Dates/Memos - Various

Financial Reporting Division:

Joe McClintock discussed the following nine memos, which help the FO complete NOAA's consolidated financial statements. These memos were given to the M&B Chiefs.

1. Cash Accounts with Commercial Banks

2. Advances or Prepayments

3. Pricing Policies

4. Long Term Commitments

5. Leases Where NOAA is the Lessor

6. General Review Checklist for Data Submissions to the Finance Office

7. Stewardship Assets

8. Government Acknowledged Events

9. Year-end Preparation Schedule

Due dates for these memos are listed on the Finance Office Year End Page:

http://www.rdc.noaa.gov/~finance/rjlist.pdf
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Accounting Operations Division:

Sandi Walters discussed the Accounts Payable Accruals Action Memorandum, which is on

http://www.rdc.noaa.gov/~finance/AcctsPay.PDF. She pointed out the 2nd to last paragraph which discusses the training class on September 9 on accruals.

Sandi Walters discussed the Instructions for Fiscal Year 1999 Closing, which is on http://www.rdc.noaa.gov/~finance/Yrend.PDF. She make the following comments:

1. Year end closing is on October 5, which is 3 days less than last year. This time reduction means the payment accounting technicians will have **1,600 fewer hours to do their work** than last year. During the last two weeks in September through October 5, AOD will record 2 ½ times the transactions they normally record in one month. **It is key that the LOs review the reports from the preliminary closing and get documentation to AOD ASAP.** We will sort our work by dollar amount and process the higher dollar transactions first. Accruals and cost adjustments **less than $1,000** will probably not be recorded in FIMA due to time constraints.

2. The LOs can help by submitting Travel Voucher to the Travel and Purchases Branch ASAP. If Travel Vouchers are not prepared and submitted by September 30, the LOs should submit a copy of the Travel Order to be accrued. **AOD has to accrue the Travel Orders manually, and then deaccrue them manually in FY 2000. It would be less work for the LOs and AOD if Travel Vouchers were submitted instead of accruing Travel Orders.**

3. AOD will project accruals for **existing** recurring transactions such as telephone bills and Document Type 43 Purchase Orders. The LOs need to submit accruals for **new accounts**.

4. The Purchase Card statement closes on September 21. To reduce the number of accruals, the LOs should try to purchase as many goods or services a few days before this date. The LOs should submit accruals for items that were purchased by September 30 that do not appear on the September statement. **Please indicate which purchases were accrued in FY 1999 on future statements. Currently, there are more than $1 million in accruals from FY 1998 that were not applied to Purchase Card statements; the charges for these purchases were paid using FY 1999 funds.** These accruals from FY 1998 will be autodeobed during the week of September 7.

5. Do not send a memo for us to record accruals for Purchase Orders; send the Receiving Report.